

1 SENATE BILL NO. 340

2 INTRODUCED BY C. POPE

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A UTILITY SMART METER APPLICATION
5 PROCESS; REQUIRING THE OFFERING OF TIME-VARYING ELECTRIC RATES; ESTABLISHING TERMS
6 FOR DEMAND RESPONSE MARKETING; PROVIDING RULEMAKING AUTHORITY; AND PROVIDING AN
7 IMMEDIATE EFFECTIVE DATE."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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11 NEW SECTION. **Section 1. Smart meter application and approval -- rulemaking.** (1) A public
12 utility seeking approval of an application to install smart meters shall provide the commission with the following:

13 (a) a cost-benefit analysis clearly identifying measurable outcomes with respect to the type of smart
14 meter chosen for deployment to various customer classes;

15 (b) a list of metrics that track achievement of those benefits, and a plan to report and publish utility
16 performance on those metrics during and after smart meter roll out;

17 (c) a plan for commencing the offering of a time-of-use rate option for all customer classes, including
18 proposed new tariffs for those rate options;

19 (d) a plan for the recovery of costs;

20 (e) an analysis of rate impacts on each customer class;

21 (f) a plan for protecting customer information, including but not limited to:

22 (i) an acknowledgement that customers own their own data;

23 (ii) a process for third parties to access individual customer data that requires written customer
24 consent;

25 (iii) a process for providing data to third-party providers or aggregators in a manner that protects the
26 identity of individual customers either through aggregation of similar customers with any identifying customer
27 information excluded or redaction of any information that can be used to identify a specific customer, or any
28 other means the commission considers appropriate to protect customer privacy; and

1 (iv) a plan for considering or implementing an industry-standard program that safely streamlines

2 customer data acquisition;

3 (g) a description of how the utility plans to educate customers on how they can use the smart meter;

4 and

5 (h) any additional information the commission requests.

6 (2) The commission may approve, disapprove, modify, or take any action it considers appropriate with
7 respect to the utilities application.

8 (3) The commission shall provide findings of fact for each item in subsection (1).

9 (4) The commission shall require:

10 (a) enforceable reliability objectives through publicly transparent reporting requirements, performance
11 metrics, or other mechanisms the commission considers appropriate; and

12 (b) that distribution investments are targeted to provide the most significant impacts.

13 (5) The commission shall determine the appropriate cost-recovery mechanism for smart meters and
14 require the savings accrued from advanced meter infrastructure benefits be applied to the costs of its
15 deployment.

16 (6) Any increase in rates to implement any aspect of this section must be considered as part of a rate
17 case filed by the utility.

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19 **NEW SECTION. Section 2. Smart meter rates and billing.** (1) A public utility that installs smart
20 meters shall offer commission-approved, time-varying rates within 1 year of initial installation. Time-varying rate
21 options may include but are not limited to:

22 (a) time-of-use rates;

23 (b) real-time pricing;

24 (c) critical peak pricing; and

25 (d) peak-time rebates as applicable to the appropriate customer class.

26 (2) The utility shall provide each customer with a shadow bill for a period of 1 year following the
27 approval of any applicable time-varying rate.

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1 **NEW SECTION. Section 3. Demand response marketing -- terms and conditions -- rulemaking**

2 **authority.** (1) The commission shall establish the terms and conditions for the marketing and sale of demand
3 response products by public utilities, third-party providers, and aggregators of retail customers.

4 (2) The commission's terms and conditions must include demand response used by the utility or sold
5 to the utility if provided by a third-party provider or aggregator, or if sold into the wholesale electricity markets by
6 a utility, third-party provider, or aggregator.

7 (3) The commission may adopt rules to implement the provisions of [sections 1 through 3].

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9 **NEW SECTION. Section 4. Codification instruction.** [Sections 1 through 3] are intended to be
10 codified as an integral part of Title 69, chapter 3, and the provisions of Title 69, chapter 3, apply to [sections 1
11 through 3].

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13 **NEW SECTION. Section 5. Effective date.** [This act] is effective on passage and approval.

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